



Public Service Commission

For Immediate Release: 09/15/22

Rory M. Christian, Chair

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22088/22-E-0127; 22-E-0284

PSC Greenlights All-Electric Buildings in NYC and Albany

Commission's Submetering Process Supports Alternatives to Fossil Fuel Use in Buildings

ALBANY — The New York State Public Service Commission (Commission) today approved petitions to submeter electricity at two 'all-electric' residential apartment buildings under construction in Brooklyn and Albany, signaling a new market trend to electrify the residential housing fleet in support of Governor Hochul's building decarbonization efforts.

"The vast majority of homes and businesses in New York burn natural gas, oil, or propane on-site to heat their space and water, generating a significant amount of greenhouse gases annually," **said Commission Chair Rory M. Christian.** "As more developers take advantage of heat pumps and other energy efficient technologies, our well-accepted and understood submetering process can ensure residents are able to benefit from these modern technologies while having more information to control their energy use and costs."

Energy efficiency and building electrification programs play a key role in the achievement of New York State's clean energy goals. The deployment of energy efficient resources reduces or eliminates electric and natural gas consumption, avoiding the harmful pollution associated with electric generation and natural gas usage. The emission of carbon dioxide and other pollutants can also be reduced through electrification, with efficient electric heat pumps replacing the use of delivered fuels like oil as well as natural gas, delivering even greater environmental benefits as the State's electric generation becomes cleaner. In many cases, these resources also benefit the utility system, including through reducing usage during periods of high demand and through reducing or avoiding the need for additional infrastructure.

The purpose of a submeter is to accurately measure and monitor energy usage for targeted loads. A common application for a submeter is an apartment building where property management would like to bill each tenant for actual electrical usage instead of guessing or averaging usage. A submetering system allows property owners to measure and charge for electricity service based on consumption, rather than other cost terms and is generally a benefit to the consumer. Submeters also support building electrification by enabling tenants to monitor and reduce energy usage and costs, providing an incentive to efficiently use their electric heating systems and other equipment.

Electrification of heating and other sectors can also provide system benefits. For example, by increasing electric sales during periods when average system utilization is low, electrification can reduce costs for customers. Energy efficiency and electrification can also offer significant cost

reductions to the customers that install them and, in particular, can improve affordability for low- and moderate income (LMI) customers.

In the first decision, the Commission authorized RXR Willoughby Owner LLC, the owner of a 476-unit apartment building at 196 Willoughby Street, Brooklyn, to submeter electricity. A submeter is a device installed downstream from a utility meter such as an electrical meter, gas meter, or water meter. The Willoughby building's owner says that all units will be rent stabilized, and 143 units are reserved for residents earning up to 130 percent of the area median income. The units with income criteria are under the jurisdiction of the New York City Department of Housing Preservation and Development. The building's owner has installed the following energy efficient equipment: Energy Star appliances, high efficiency lighting throughout, and high efficiency water source heat pumps. The petition states that the building will use electric heat. The building will be heated via vertical stack water source heat pumps. Each unit's submeter will measure the usage by the compressor that heats the refrigerant. Use of a master meter with a submetering system for individual metering educates tenants on their electricity usage and cost and promotes energy conservation. It also promotes economic development and rehabilitation of old buildings to make energy efficiency improvements.

In another decision, the Commission authorized 745 Broadway Albany LLC, the owner of an 80-unit, under-construction apartment building at 745 Broadway in Albany, to submeter electricity. Of the 80 units, 76 units will be provided at fair-market value and four units will be rent-regulated. The following energy-efficiency measures will be implemented: installation of Energy Star-rated appliances, building envelope enhancements, centralized energy recovery ventilation, light emitting diode lighting with occupancy sensors, and in-unit programmable thermostats with occupancy sensors. The building's owner says the building will use electric heat. The building will be heated by variable refrigerant packaged heat pumps and the residents' submeter bills will include the usage of their corresponding heat pump.

The local utility serving all-electric buildings has a process to afford low-income customers the opportunity to participate in a utility's low-income program by providing appropriate documentation (e.g., an award letter) that they are beneficiaries in applicable public assistance programs. Utility customers may self-identify themselves as eligible for a utility's low-income program. Upon review of the documentation provided by the customer, the utility will then enroll the customer. In a March 2021 order, the Commission clarified that, following a similar process, sub-metered residents shall be able to self-identify themselves to a sub-metered building owner as eligible for the relevant utility's low-income discounts, with appropriate documentation, so that the sub-metered residents' monthly electricity charges will not be more than that of a similarly situated, direct metered residential customer.

New York State's Nation-Leading Climate Plan

New York State's nation-leading climate agenda is the most aggressive climate and clean energy initiative in the nation, calling for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy even as New York State recovers from the COVID-19 pandemic. Enacted into law through the Climate Leadership and Community Protection Act (Climate Act), New York is on a path to achieve its mandated goal of a zero-emission electricity sector by 2040, including 70 percent renewable energy generation by 2030, and to reach economy wide carbon neutrality. It builds on New York's unprecedented investments to ramp-up clean energy including over \$33 billion in 102 large-scale renewable and transmission projects across the state, \$6.8 billion to reduce buildings emissions, \$1.8 billion to scale up solar, more than \$1 billion for clean transportation initiatives, and over \$1.6 billion in NY Green Bank commitments. Combined, these investments are supporting nearly 158,000 jobs in New York's clean energy sector in 2020, a 2,100 percent growth in

the distributed solar sector since 2011 and a commitment to develop 9,000 megawatts of offshore wind by 2035. Under the Climate Act, New York will build on this progress and reduce greenhouse gas emissions by 85 percent from 1990 levels by 2050. The Climate Act will ensure that at least 35 percent, with a goal of 40 percent, of the benefits of clean energy investments are directed to disadvantaged communities, and advance progress towards the state's 2025 energy efficiency target of reducing on-site energy consumption by 185 trillion BTUs of end-use energy savings.

Today's decisions may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Numbers 22-E-0127 [Willoughby] and 22-E-0284 [Broadway] in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.